

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Chief Financial Officer**

Natwar M. Gandhi  
Chief Financial Officer



**MEMORANDUM**

**TO:** The Honorable Linda W. Cropp  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi [signature]  
Chief Financial Officer

**DATE:** June —1, 2004

**SUBJECT:** Fiscal Impact Statement: “Anacostia Waterfront Corporation Act of 2004”

**REFERENCE:** Bill 15-616

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**Conclusion**

Although funds sufficient to run the Anacostia Waterfront Corporation (AWC) have not yet been identified, funds are sufficient in the District of Columbia’s proposed FY 2005 through FY 2008 budget and financial plan to approve the Anacostia Waterfront Corporation Act of 2004.

The bill establishes the AWC as an independent instrumentality of the District whose finances would be wholly separate from the District’s general fund. However, the bill provides no financial plan or funding for the operation of the proposed Corporation. Any direct or indirect financial support from the District would require placement in the budget or additional legislation.

**Background**

The proposed Act would establish the AWC as an independent instrumentality of the District of Columbia. The AWC would be the organization responsible for the redevelopment of the Southwest Waterfront, and the lands adjacent to the Anacostia River.

The AWC would have an unpaid 12 member board of directors – nine voting members consisting of six members of the public, one member of the Board of the National Capital Revitalization Corporation (NCRC), the Mayor, the Chief Financial Officer, and three

non-voting members consisting of the Chairman of the National Capital Planning Corporation, the Secretary of the Department of the Interior and the Administrator of the General Services Administration.

The Act provides the AWC with eminent domain authority and the ability to create subsidiary corporations, revolving funds and special or reserve funds. The corporation's accounts would be wholly separate from the District's General Fund, however, the Act does not provide any money to fund these accounts. AWC would also be vested with the power to issue taxable and tax-exempt revenue bonds to support the redevelopment of the area surrounding the Anacostia River.

The only land transfer that is authorized under this act is the transfer of the Southwest Waterfront properties from the NCRC to the AWC. The NCRC would receive \$25 million in CDBG dollars from the sale of Redevelopment Land Authority Revitalization Corporation (RLARC) properties, by temporarily eliminating the current 60%/40% split on land proceeds shared between DHCD and NCRC. NCRC would also be compensated with other District owned properties, as specified in an MOU executed between the Mayor and the NCRC Board.

### **Financial Plan Impact**

Although specific funds sufficient to run the AWC have not yet been identified, funds are sufficient in the proposed FY 2005 through FY 2008 budget and financial plan to approve the Anacostia Waterfront Corporation Act of 2004 because the AWC would be an independent instrumentality of the District. As an independent instrumentality of the District, the AWC's finances are wholly separate from the District's general fund.

The legislation authorizes the AWC to borrow funds from private lenders, the District and Federal government and to receive grants, appropriations and dedicated revenues. If any of the funds identified to run the AWC are from District sources, they must be budgeted in order not to have a negative impact on the District's budget and financial plan.